

## State of Rhode Island Revenue Brief

### FY 2006 Cash Collections through August 2005

Beginning in FY 2004, the State of Rhode Island Budget Office presented a more comprehensive assessment of fiscal year-to-date revenue collections. In particular, the Revenue Brief now contains information on the Other General Revenue Sources. These sources include the Gas Tax Transfer, Other Miscellaneous Revenues, the Lottery Transfer, and the Unclaimed Property remittance.

*Users of the report should be cautious when comparing year-to-date growth rates to the revised growth estimate for Other Miscellaneous Revenues and Unclaimed Property as the receipt of these revenues is not continuous. That is, for these two general revenue categories, payments are received at discrete points in time over the course of a fiscal year. Further complicating matters is the fact that the discrete pattern of receipts varies so that payments received do not necessarily occur at the same point in time in each fiscal year.*

#### **Total General Revenues**

	<u>Enacted Estimate</u>	<u>Actual YTD</u>	<u>Adjusted YTD</u>
Growth Rates	4.4 %	-0.8 %	-0.4 %

Fiscal Year 2006 total general revenues collected through August 2005 have decreased by 0.8 percent as compared to August 2004 total general revenues collected in fiscal year 2005. For the fiscal year-to-date period ending August 2005, total general revenues were \$389.6 million as compared to \$392.8 million for the same period last year, a decrease of \$3.2 million. Due to various causes, which are detailed below, adjustments need to be made to the fiscal year-to-date data for both Fiscal Year 2005 and Fiscal Year 2006.

In fiscal year 2005, Motor vehicle revenues were understated by \$2.3 million due to the late posting of interstate trucking payments that are made to the forty-nine other states and Canada. Until FY 2005, this posting was made in June of the fiscal year. Beginning in FY 2005, this posting was not done until July of the following fiscal year. This pattern of late posting continued in FY 2006 resulting in FY 2006 motor vehicle license and fees also being understated by \$2.3 million.

In fiscal year 2006, taxes on insurance companies are understated by \$442,445 due to the late transfer of FY 2005 retaliatory fees. For the previous nine fiscal years, this transfer was made in June. In FY 2005, however, these fees were not transferred until August. As a result, this transfer is reflected as a reduction of insurance companies revenues in fiscal year-to-date 2006. In addition, fiscal year-to-date 2006 sales and use tax receipts are understated by \$2.9 million. This is due to \$1.2 million of prepaid sales tax on the retail sale of cigarettes being recorded as cigarette floor stock tax revenues in July 2005 and \$1.7 million of prepaid sales taxes being posted as cigarette taxes in August 2005. The General Assembly's budget enacted on June 30, 2005 amended the sales and use tax to require prepayment of the sales tax on retail cigarette sales. Further, the General Assembly also enacted in the FY 2006 budget an increase in the tax on other tobacco products from 30 percent of the wholesale price to 40 percent as of July 1,

2005. Also in FY 2006, the motor fuel tax is overstated by \$974,102 as a result of the Division of Taxation filing a proof of claim in a bankruptcy proceeding in FY 2005. This revenue has been accrued back to FY 2005 but shows as positive revenue in FY 2006. Finally, Licenses and fees are underreported by \$1.5 million in E-911 wireless surcharge fees for July cash collections that should have been deposited in August 2005 but were not posted until September 2005.

It should be noted that the General Assembly enacted a change in the gas tax transfer in the FY 2006 budget. In particular, \$0.01 of the state's \$0.30 per gallon excise tax on motor fuel was redistributed from the general fund to the Rhode Island Public Transit Authority. The transfer rate to the general fund was \$0.02 of the \$0.30 per gallon gas tax in July and August 2004. In July and August 2005, the motor fuel transfer rate to the general fund is \$0.01 of the \$0.30 per gallon motor fuel tax.

Accounting for these revenue adjustments yields an adjusted rate of growth for the fiscal year-to-date period through August 2005 of -0.4 percent. It should be noted that the adjusted year-to-date growth rate is not necessarily indicative of the projected annual growth. The FY 2006 enacted growth estimate is an increase of 4.4 percent in total enacted FY 2006 general revenues over final enacted FY 2005 collections.

### **Taxes and Departmental Receipts**

	<u>Enacted Estimate</u>	<u>Actual YTD</u>	<u>Adjusted YTD</u>
Growth Rates	4.1 %	-0.5 %	-0.2 %

The State of Rhode Island Budget Office reports that FY 2006 taxes and departmental receipts collected through August 2005 have decreased by 0.5 percent as compared to FY 2005 collections for the comparable period one year ago. For the fiscal year-to-date period ending August 2005, total taxes and departmental receipts were \$361.8 million as compared to \$363.5 million for the same period last fiscal year, a decrease of \$1.7 million.

The insurance companies retaliatory fee transfer, the motor vehicle licenses and fees late interstate trucking payments, the one-time "proof of claim" receipt for a bankruptcy proceeding in the motor fuel tax, and the late posting of E-911 Wireless surcharge fees in FY 2006 increase taxes and departmental receipts on an adjusted basis by \$3.1 million. The late posting of motor vehicle licenses and fees interstate trucking payments in July 2004 understate FY 2005 taxes and departmental receipts by \$2.3 million. Accounting for these modifications yields a FY 2006 adjusted growth rate in taxes and departmental receipts of -0.2 percent. The FY 2006 enacted growth estimate projects an increase of 4.1 percent in total taxes and departmental receipts over final enacted FY 2005 collections.

### **Other General Revenue Sources**

	<u>Enacted Estimate</u>	<u>Actual YTD</u>	<u>Adjusted YTD</u>
Growth Rates	6.1 %	-5.2 %	-2.5 %

FY 2006 other general revenue sources collected through August 2005 have decreased by 5.2 percent as compared to Fiscal Year 2005 collections through August of last year. For the fiscal year-to-date period ending August 2005, total other general sources were \$27.8 million as compared to \$29.3 million for the same period last year, a decrease of about \$1.5 million. It is important to note that the General Assembly decreased the general fund's share of the \$0.30 per gallon motor fuel tax to \$0.01 from \$0.02 beginning in July of FY 2006. Accounting for the decrease in the general fund's share of the gas tax transfer increases FY 2006 other general revenue sources by \$813,830 on an adjusted basis and yields adjusted FY 2006 growth for other general revenue sources of -2.5 percent. The enacted FY 2006 growth rate over final enacted FY 2005 collections for other general revenue sources projects an increase of 6.1 percent, with much of this increase due to higher projected lottery revenues.

### **Total Taxes**

	<u>Enacted Estimate</u>	<u>Actual YTD</u>	<u>Adjusted YTD</u>
Growth Rates	3.9 %	-0.3 %	-0.5 %

Total tax revenues for the fiscal year-to-date period through August 2005 were \$341.4 million, or 0.3 percent less than the \$342.4 million in total taxes collected in FY 2005 through August 2004. Listed below are a number of modifications that must be made to determine the adjusted growth rate for total taxes.

In FY 2005, \$2.3 million in motor vehicle license and fee revenues were not reflected due to the late payment of FY 2004 interstate trucking fees. In FY 2006, motor vehicle license and fee revenues are underreported by \$2.3 million as a result of the late payment of FY 2005 interstate trucking fees. Also, in FY 2006 insurance companies gross premiums taxes are understated by \$442,445 due to the late transfer of FY 2005 retaliatory fees. In addition, FY 2006 sales and use taxes are understated, and consequently cigarette tax collections are overstated, by \$2.9 million due to the misposting of the prepaid sales tax on the retail sale of cigarettes and \$974,102 of motor carrier fuel use revenues accrue back to FY 2005 due to a bankruptcy proceeding. Finally, the tax on smokeless tobacco products was increased by 10 percentage points on July 1, 2005.

Adjusting for these law changes, anomalies, and posting errors yields an adjusted growth rate -0.5 percent in total taxes. The enacted FY 2006 growth estimate for total tax collections is 3.9 percent over final enacted FY 2005 tax collections.

### **Personal Income Taxes**

	<u>Enacted Estimate</u>	<u>Actual YTD</u>	<u>Adjusted YTD</u>
Growth Rates	5.4 %	0.3 %	0.3 %

Actual personal income tax collections for FY 2006 through August 2005 are up \$376,874, or 0.3 percent, compared to the same period last fiscal year. The FY 2006 fiscal year-to-date growth rate falls below the enacted FY 2006 growth rate of 5.4 percent over final enacted FY 2005 personal income tax collections. An adjustment in August was made to accrue \$1.7 million of withholding payments back to June 2004 to correct for two receipt vouchers that were posted

in July 2005 and were reflected as FY 2006 cash collections. The accrual brings the August year-to-date personal income tax cash collections in line with the actual cumulative cash collections. Adjustments must be made to withholding payments and the refunds and adjustments component of personal income tax collections to correctly account for cash flows.

Income tax withholding payments have grown by \$3.4 million, or 2.7 percent, through the first two months of FY 2006 when compared to the same period in FY 2005. This growth reflects withholding payments received less July 2005's erroneously posted vouchers for \$1.7 million attributable to FY 2005. The 2.7 percent actual growth in cash withholding payments between FY 2006 and FY 2005 is less than half of the enacted cash growth rate for income tax withholding payments of 5.8 percent. On average, over the past five fiscal years, 14.2 percent of income tax withholding payments are collected in the first two months of the fiscal year.

FY 2006 year-to-date income tax refunds paid are greater by \$5.3 million, or 84.0 percent, compared to the same period in FY 2005. This increase for FY 2006 versus FY 2005 reflects the year-to-date refunds and adjustments absent the adjustment for refunds share of the above-mentioned accrual of \$1.7 million back to FY 2005. The 84.0 percent actual growth in cash income tax refunds paid between FY 2006 and FY 2005 is substantially greater than the enacted cash growth rate for income tax refunds paid of 1.5 percent. In spite of this surge in income tax refunds paid, on average over the last five fiscal years only 2.4 percent of total income tax refunds are paid in the first two months of the fiscal year.

There has also been an increase in final income tax payments received. Fiscal year-to-date final income tax payments are up \$848,032, or 15.7 percent, through August of FY 2006 as compared to final payments for the first two months of FY 2005. The 15.7 percent actual growth in cash final income tax payments received between FY 2006 and FY 2005 is substantially greater than the enacted cash growth rate for final income tax payments received of 0.3 percent. Despite this sizeable difference in growth rates, the increase in final income tax payments received is minor and of little consequence given that, on average, over the last five fiscal years only 3.8 percent of total final income tax payments are received in the first two months of the fiscal year.

Finally, with respect to estimated income tax payments, year-to-date FY 2006 collections are up \$1.2 million from FY 2005 collections at this time last year. This increase translates into a fiscal year-to-date growth rate of 15.5 percent. The 15.5 percent actual growth in cash estimated income tax payments received between FY 2006 and FY 2005 is greater than the enacted cash growth rate for estimated income tax payments received of 4.6 percent. Although the growth in estimated income tax payments is positive, its significance is minimal as, on average, over the last five fiscal years only 3.1 percent of total estimated income tax payments are made by the end of August.

### **Sales and Use Taxes**

	<u>Enacted Estimate</u>	<u>Actual YTD</u>	<u>Adjusted YTD</u>
Growth Rates	4.6 %	-1.7 %	0.2 %

Sales and use tax collections in FY 2006 are down \$2.7 million, or 1.7 percent, relative to last fiscal year at this time. As always, the monthly sales tax receipts reported here reflect the prior month's retail sales activity. For both FY 2005 and FY 2006, the state's sales tax rate is 7.0 percent.

On July 1, 2005 at 12:01 am, prepayment of the sales tax on retail cigarette sales was initiated. In July 2005, the prepaid sales tax receipts were erroneously posted as cigarette floor stock tax revenues. The total of this misposting was \$1.2 million. In August, the prepaid sales tax receipts were mistakenly posted as cigarette taxes. The total of this misposting was \$1.8 million. For excise taxes as a whole, these mispostings result in no change but an adjustment is necessary to transfer these monies from Cigarettes to the Sales and Use tax for FY 2006. Accounting for these transfers yields an adjusted growth rate for Sales and Use tax collections of 0.2 percent. This adjusted growth rate is still well below the enacted FY 2006 growth rate of 4.6 percent over final enacted FY 2005 sales and use tax collections.

According to the Division of Taxation, within the sales tax components, registry receipts were down 3.6 percent in the first two months of FY 2006 when compared to same period last fiscal year. Net sales tax receipts remitted directly to the Division of Taxation posted a gain of 3.3 percent during FY 2006's first two months versus the first two months of FY 2005. Providence Place Mall (PPM) sales tax receipts were down 4.9 percent through August of FY 2006 versus the same period in FY 2005.

### **General Business Taxes**

	<u>Enacted Estimate</u>	<u>Actual YTD</u>	<u>Adjusted YTD</u>
Growth Rates	2.5 %	3.1 %	6.5 %

In general, it is not possible at this time to begin to discern patterns in this year's general business tax collections. Most general business taxes are paid in March and June of the fiscal year, with 40.0 percent of total tax liability due in March and 60.0 percent of total tax liability due in June. The exception to this pattern is business corporations taxes and health care provider assessments. In the FY 2001 to FY 2005 period, an average of 10.3 percent of total business corporations taxes were collected by the end of August. The health care provider assessment collections flow more evenly into the general fund over the course of the fiscal year.

Total general business taxes collected in the fiscal year-to-date August 2005 period were \$13.4 million, or \$409,441 more than the \$13.0 million collected for the same period in FY 2005. Year-to-date growth in FY 2006 is 3.1 percent. In August of FY 2006, \$442,445 attributable to FY 2005 was transferred out of insurance companies taxes, requiring an adjustment to general business taxes. As a result, adjusted FY 2006 growth in general business taxes is 6.5 percent. The enacted growth estimate for FY 2006 is 2.5 percent over FY 2005 final enacted collections.

FY 2006 year-to-date business corporations taxes are up \$2.4 million, or 58.3 percent, from last fiscal year at this time, a significant improvement over the FY 2005 August growth rate of -18.6 percent. Health care provider assessment taxes through August 2005 were \$7.2 million, an increase of 0.5 percent through the same period in FY 2005. No bank deposit taxes have been

received through the first two months of FY 2006, compared to \$64,198 through August 2004. They tend to post irregularly until March, when the first 60.0 percent of total tax liability is due.

In contrast, the insurance companies tax is down 117.8 percent year-to-date. This decline is partially due to the late transfer of \$442,445 in retaliatory fees claimed on insurance companies taxes collected for the 2004 calendar year. These fees should have been posted in FY 2005 when the insurance companies' tax returns were collected. Instead, the retaliatory fees were transferred late, during FY 2006, creating an understatement in year-to-date collections through August 2005. Adjusting for the late transfer results in a growth rate of -87.5 percent through August 2005. Public utilities gross earnings taxes were down 56.5 percent and financial institutions taxes were down 98.1 percent through August 2005 compared to the same period last.

### **Excise Taxes Other Than the Sales and Use Tax**

	<u>Enacted Estimate</u>	<u>Actual YTD</u>	<u>Adjusted YTD</u>
Growth Rates	-3.7 %	-3.0 %	-14.5 %

Excise taxes other than sales and use taxes collected in the fiscal year-to-date August 2005 period totaled \$31.4 million or \$1.0 million less than the \$32.4 million collected for the same period in FY 2005. Motor vehicle receipts were understated by \$2.3 million for July 2004 due to a delay in the posting of June 2004 interstate trucking payments by the Division of Motor Vehicles. In FY 2006, June 2005 interstate trucking payments were again made in July causing an understatement in July 2005 motor vehicle license and fee revenues for the second straight year. Additionally, in FY 2006, motor fuel receipts are higher by \$974,102 as the result of a "proof of claim" payment made to the State in an FY 2005 bankruptcy proceeding.

Further, cigarette tax receipts are overstated by \$2.9 million, as previously noted, due to the mispostings of the prepayment of the sales tax on the retail sale of cigarettes as cigarette floor stock and cigarette tax revenues rather than sales and use tax. Finally, the enacted 33.3 percent increase in the tax rate on smokeless tobacco products adds \$83,600 to cigarette tax revenues in FY 2006. Thus, what appears to be \$1.0 million less in revenue between fiscal year-to-date 2006 and fiscal year-to-date 2005 collections, is actually a \$5.0 million decrease in revenue between the two periods. Adjusting for the above yields an adjusted growth rate of -14.5 percent in excise taxes other than the sales and use tax.

Rhode Island Cigarette Tax receipts are comprised of excise taxes collected on the sale of cigarettes, which also includes cigars and pipe tobacco, smokeless tobacco, and a one-time cigarette floor stock tax. The cigarette floor stock tax is imposed only when there is an increase in the excise tax on cigarettes. In FY 2005, the cigarette excise tax was increased by \$0.75 per pack of 20 cigarettes and this resulted in cigarette floor stock tax revenues of \$4.4 million in FY 2005. Since no increase in the cigarette excise tax was enacted in FY 2006, no cigarette floor stock tax revenues are expected for this fiscal year. Due to erroneous postings of the prepaid sales tax on retail cigarette sales in July and August 2005, \$1.2 million in sales and use taxes must be transferred from the cigarette floor stock tax and \$1.7 million in sales and use taxes must be transferred from cigarette taxes.

Although there was no change in the excise tax rate on cigarettes from FY 2005 to FY 2006, the smokeless tobacco tax rate was increased from 30.0 percent to 40.0 percent of the wholesale cost of the smokeless tobacco product on July 1, 2005. After removing erroneously posted prepaid sales taxes from cigarette taxes and adjusting for the smokeless tobacco tax rate increase of 10.0 percentage points, cigarette tax receipts for the first two months of FY 2006 are down 19.5 percent compared to the same period a year ago. The enacted FY 2006 rate of growth is -7.6 percent over final enacted FY 2005 cigarette tax collections.

Finally, the change in cigarette consumption is determined. First, the value of the floor stock tax and smokeless tobacco products tax is netted out of the data. Adjustments are made to transfer the prepaid cigarette sales tax revenue from cigarette taxes to the sales and use tax. The end result is a decrease in Rhode Island cigarette consumption of 2.7 percent for the first two months of FY 2006 versus the first two months of FY 2005.

### **Other Taxes**

	<u>Enacted Estimate</u>	<u>Actual YTD</u>	<u>Adjusted YTD</u>
Growth Rates	0.4 %	26.1 %	26.1 %

Total other taxes collected through the first two months of FY 2006 totaled \$9.1 million versus \$7.2 million in other taxes collected during the same period last fiscal year, an increase of \$1.9 million, or 26.1 percent. Inheritance tax collections totaled \$5.5 million through the second month of FY 2006, about 44.5 percent over the \$3.8 million collected through the second month of FY 2005. Given the fact that inheritance tax collections are volatile, it is not possible to make any valid comments about this revenue source. Racing and Athletics tax collections through the August of FY 2006 are down 6.7 percent relative to the same period in FY 2005. Realty transfer taxes are up by 9.1 percent through August of FY 2006 versus the first two months of FY 2005. This strong increase is likely reflective of Rhode Island's continued strong housing market.

### **Total Departmental Receipts**

	<u>Enacted Estimate</u>	<u>Actual YTD</u>	<u>Adjusted YTD</u>
Growth Rates	6.1 %	-3.3 %	4.0 %

FY 2006 year-to-date departmental receipts total \$20.4 million, a decrease of \$701,191 over the amount that was collected last fiscal year at this time. Actual departmental receipts for FY 2006 are down 3.3 percent when compared to receipts collected for the same period a year ago. The enacted FY 2006 growth rate is 6.1 percent over enacted FY 2005 departmental receipt collections. In FY 2006, E-911 wireless surcharge fees were posted later than the even usual late posting and as a result departmental receipts are understated by \$1.6 million in year-to-date FY 2006 versus year-to-date FY 2005. Adjusting for this late, late posting of E-911 wireless surcharges yields an adjusted growth rate of 4.0 percent for FY 2006 departmental receipts.

Within the total departmental receipt components, Licenses and Fees are down \$97,859, or 0.7 percent, through August of FY 2006 versus August of FY 2005. The \$1.3 million of

intermediate hospital rate settlement payments received in July 2005 but not in July 2004 was partially caught up in August. The posting of August total beach parking fees is late, causing the approximately \$1.1 million discrepancy between year-to-date August 2005 and August 2004. Further, the E-911 wireless surcharge was posted even later this year, reducing FY 2006 licenses and fees by an estimated \$1.6 million. The FY 2005 E-911 surcharge was caught up by August 2004.

Fines and Penalties are down \$662,148 through the second month of FY 2006 versus the the first two months of FY 2005. The decrease in fines and penalties revenue is primarily due to the courts, which are late once again in posting court and traffic tribunal fine collections. Last fiscal year through August, the courts had posted \$1.2 million, the bulk of it being Traffic Tribunal fines and court fees totaling \$669,919. This year, the courts have posted \$(10,971) in cash collections through August 2005. These late postings are partially offset by an unusually large Banking Enforcement fee received in July 2005 for \$761,000. Court fines and penalties have been collected but are sitting in a clearing account prior waiting to be distributed to the general fund, municipalities, and other recipients. Year-to-date collections in the Judiciary clearing account are about \$2.0 million for the first two months of FY 2006, although only a portion of this will be transferred to the general fund.

Sales and Services revenues are down \$158,987 between August of FY 2006 and the same period last fiscal year. In FY 2005, RI Veterans Home board and support maintenance fees for May were paid in June and posted in July. In FY 2006, these maintenance fees were paid early, arriving in June 2005 rather than in July 2005. This early payment of \$276,442 in FY 2006 accounts for the drop in sales and services revenues between the two fiscal years. A partial offset was experienced in a one-time boost to rent paid on the Galilee piers by fishermen who were behind on rent and are now up to date.

Miscellaneous Departmental Revenues are up \$217,803 through the second month of FY 2006 versus the second month of FY 2005. Large gains in hotel tax collections for July 2005 were offset by a nearly equal decline in pharmaceutical rebates. Due to a change in law enacted by the General Assembly in June 2005, pharmaceutical rebates are no longer posted to the General Fund. They are now dedicated to a Restricted Receipts account, resulting in a decrease to the General Fund of \$333,020 through the second month of FY 2006 compared to the same period in FY 2005. In July 2005, a gain of \$286,520 was realized in hotel tax collections, reflecting robust returns in May 2005.

### **Gas Tax Transfer**

	<u>Enacted Estimate</u>	<u>Actual YTD</u>	<u>Adjusted YTD</u>
Growth Rates	-49.4 %	-64.4 %	-28.8 %

The Gas Tax Transfer is down 64.4 percent for FY 2006 when compared to FY 2005. The enacted growth rate estimate for the gas tax transfer is -49.4 percent. The sharp decrease in the growth rate of the gas tax transfer on a fiscal year-over-fiscal year basis is due to a decrease in the allocation of the State's \$0.30 per gallon motor fuel tax that is devoted to the general fund. In FY 2006, \$0.01 per gallon was allocated to the general fund compared to \$0.02 per gallon in



FY 2005. Adjusting for this change yields an adjusted rate of growth of –28.8 percent on a fiscal year-over-fiscal year basis.

### **Other Miscellaneous Revenues**

	<u>Enacted Estimate</u>	<u>Actual YTD</u>	<u>Adjusted YTD</u>
Growth Rates	–29.7 %	–86.7 %	–86.7 %

Other Miscellaneous Revenues are down 86.7 percent in FY 2006 when compared to the same period one year ago. FY 2006 year-to-date collections total \$40,048 compared to \$300,573 collected at this time last fiscal year. Of the \$300,573 collected in FY 2005, \$297,530 was attributable to Underground Storage Tank reimbursement funds. As of yet, no reimbursement has been collected this fiscal year, which is not unexpected due to the irregular timing of UST reimbursements to the State. The enacted 2006 growth rate is –29.7 percent over final enacted FY 2005 collections. The actual year-to-date growth in other miscellaneous revenues is not a surprise given the lack of consistency in typical receipt patterns.

### **Lottery Transfer**

	<u>Enacted Estimate</u>	<u>Actual YTD</u>	<u>Adjusted YTD</u>
Growth Rates	13.1 %	0.7 %	0.7 %

The Lottery Transfer to the general fund is up 0.7 percent, or \$200,000, in the FY 2006 fiscal year-to-date period compared to the same period last year. There were no changes made to the distribution of video lottery net terminal income (NTI) in the FY 2006 budget. In the first two months of FY 2006, the State's share of video lottery NTI grew 3.9 percent versus the same period in FY 2005. This compares to an enacted growth rate of 15.3 percent passed by the General Assembly on June 30, 2005. The transfer to the State general fund from instant and monitor games is down 9.9 percent on for the first two months of FY 2005 versus the same period last year. The enacted FY 2006 growth rate estimate for instant and monitor games adopted by the General Assembly was 4.0 percent.

Rosemary Booth Gallogly, State Budget Officer  
September 19, 2005

# STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## August 2005 Revenue Report

(Fiscal Year 2006)

	FY 2005 YTD August	FY 2006 YTD August	Actual Growth	Revised Growth
<b>Personal Income Tax</b>	\$ 131,496,382	\$ 131,873,256	0.3%	5.4%
<b>General Business Taxes</b>				
Business Corporations*	\$ 4,070,526	\$ 6,444,841	58.3%	-2.2%
Public Utilities Gross Earnings	\$ 118,941	\$ 51,775	-56.5%	1.1%
Financial Institutions	\$ 156,342	\$ 3,000	-98.1%	-109.1%
Insurance Companies	\$ 1,459,965	\$ (259,234)	-117.8%	12.3%
Bank Deposits	\$ 64,198	\$ -	-	2.5%
Health Care Provider Assessment	\$ 7,156,534	\$ 7,195,565	0.5%	2.7%
<b>Excise Taxes</b>				
Sales and Use	\$ 158,211,022	\$ 155,518,926	-1.7%	4.6%
Motor Vehicle	\$ 3,698,380	\$ 4,142,482	12.0%	5.8%
Motor Fuel	\$ 124,028	\$ 1,018,152	720.9%	0.0%
Cigarettes	\$ 26,603,090	\$ 24,469,246	-8.0%	-7.6%
Alcohol	\$ 1,970,544	\$ 1,792,742	-9.0%	3.6%
Controlled Substances	\$ -	\$ -	-	-
<b>Other Taxes</b>				
Inheritance and Gift	\$ 3,796,232	\$ 5,485,799	44.5%	0.0%
Racing and Athletics	\$ 729,234	\$ 680,713	-6.7%	-4.3%
Realty Transfer	\$ 2,706,568	\$ 2,951,711	9.1%	2.8%
<b>TOTAL TAXES</b>	<b>\$ 342,361,986</b>	<b>\$ 341,368,974</b>	<b>-0.3%</b>	<b>3.9%</b>
<b>Departmental Receipts</b>				
Licenses and Fees	\$ 14,995,704	\$ 14,897,845	-0.7%	
Fines and Penalties	\$ 1,625,960	\$ 963,812	-40.7%	
Sales and Services	\$ 1,998,453	\$ 1,839,466	-8.0%	
Miscellaneous	\$ 2,523,098	\$ 2,740,901	8.6%	
<b>TOTAL DEPARTMENTAL RECEIPTS</b>	<b>\$ 21,143,215</b>	<b>\$ 20,442,024</b>	<b>-3.3%</b>	<b>6.1%</b>
<b>TAXES AND DEPARTMENTALS</b>	<b>\$ 363,505,201</b>	<b>\$ 361,810,998</b>	<b>-0.5%</b>	<b>4.1%</b>
<b>Other General Revenue Sources</b>				
Gas Tax Transfer	\$ 2,287,222	\$ 813,830	-64.4%	-49.4%
Other Miscellaneous Revenues	\$ 300,573	\$ 40,048	-86.7%	-29.7%
Lottery Transfer	\$ 26,700,000	\$ 26,900,000	0.7%	13.1%
Unclaimed Property	\$ -	\$ -	-	-35.4%
<b>TOTAL OTHER SOURCES</b>	<b>\$ 29,287,795</b>	<b>\$ 27,753,878</b>	<b>-5.2%</b>	<b>6.1%</b>
<b>TOTAL GENERAL REVENUES</b>	<b>\$ 392,792,996</b>	<b>\$ 389,564,876</b>	<b>-0.8%</b>	<b>4.4%</b>

\* Business Corporations tax includes both corporate income tax and franchise tax collections.